GLOBAL MONTHLY INCOME FUND

31 December 2020

Effective September 8th, 2020, the NB Global Floating Rate Income Fund Limited was renamed to the NB Global Monthly Income Fund Limited

FUND OBJECTIVE

The NB Global Monthly Income Fund Limited ("the Fund") aims to provide its shareholders with consistent levels of monthly income, while maintaining or increasing the Net Asset Value per Share over time. The Fund's managers seek to achieve this strategy by investing in a broad range of credit assets, including but not limited to high yield and investment grade bonds and alternative credit comprising of private debt, special situations and CLO debt tranches.

INVESTMENT MANAGEMENT TEAM

Vivek Bommi
Senior Portfolio Manager
London

Pieter D'Hoore
Senior Portfolio Manager
The Hague

Joseph P. Lynch
Senior Portfolio Manager
Chicago

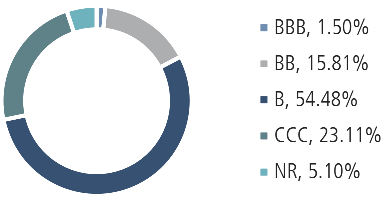
Simon Matthews
Senior Portfolio Manager
London

Norman Milner
Senior Portfolio Manager
New York

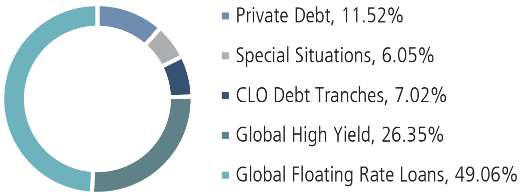
FUND FACTS

Ticker	NBMI:LN
ISIN	GG00B3KX4Q34
Admission Date	20 April 2011
Management Fee*	0.75%
ISA & SIPP eligible	Yes
Pricing	Daily
NAV (GBP)	0.9394
Share Price (GBP)	0.8160
Premium/Discount	-13.14%
Market Cap (GBP)	201.70 Million
Dividend Policy	Monthly**
Last Dividend (GBP)	0.0039
Annualised Dividend Yield (%)	5.74%

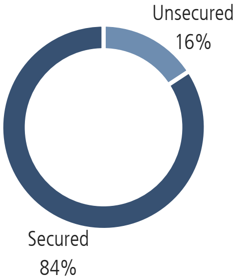
CREDIT QUALITY % (MV)

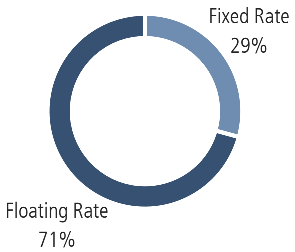


ASSET ALLOCATION % (MV)



ASSET TYPE





PORTFOLIO STATISTICS ***

Current Portfolio Yield (%)	6.08
Hedged Portfolio Yield (%)	5.93
Yield to Maturity (%)	6.27
Duration (years)	0.96
Number of Issuers	181
Average Credit Quality	B
Weighted Average Price	99.81

Past performance is not a reliable indicator of future result

TOP 10 S&P SECTORS % (MV)

	Fund
Health Care	12.69
Oil & Gas	11.64
Electronics	9.44
Financial Intermediaries	9.40
Telecommunication	7.36
Leisure	5.58
Retailers	5.58
Industrial Equip	3.85
Business Equip & Services	3.84
Utilities	3.11

Holdings data excludes cash

TOP 10 ISSUERS % (MV)

	Sector	Fund
Intelsat	Telecommunication	1.93
Bass Pro	Retailers	1.91
Euro Garages	Retailers	1.76
VVC Holding Corp	Health Care	1.71
Brock Holdings	Business Equipment & Services	1.65
GTT Communications	Telecommunication	1.55
Kloeckner Pentaplast	Containers & Glass	1.54
Carnival Corp	Leisure	1.44
Hertz Corp	Surface Transport	1.36
Epicor Software	Electronics	1.22

* The current management fee is 0.75% (on assets below £500mln); 0.70% (on assets greater than £500mln and lower or equal to £750mln); 0.65% (on assets greater than £750mln and lower or equal to £1bln); 0.60% (on assets greater than £1bln)

** Provides Shareholders with consistent levels of monthly income, to commence following declaration of the Q3 2020 dividend.

*** Current Portfolio Yield is a market-value weighted average of the current yields of the holdings in the portfolio, calculated as the coupon (base rate plus spread) divided by current price. The calculation does not take into account any Fund expenses or sales charges paid, which would reduce the results. The Current Yield for the Fund will fluctuate from month to month. The Current Yield should be regarded as an estimate of the Fund's rate of investment income, and it may not equal the realised distribution rate for each share class. You should consult the Fund's prospectus for additional information about the Fund's dividends and distributions policy. Past performance is not a reliable indicator of future result.

CONTACT

Client Services: +44 (0)20 3214 9096
Email: funds_cseurope@nb.com
Website: www.nbgmif.com

QUARTERLY COMMENTARY

Performance Highlights

From a sector perspective, the largest performance contributors for the quarter came from positioning in Oil & Gas, Healthcare and Broadcast Radio & TV. Conversely, those that added the least to performance included positioning in Home Furnishing, Food Products and Food Service. From a ratings perspective, positioning in CCC, B and BB rated issuers added the most in the quarter while BBB rated issuers added the least to performance in the quarter. NBMI ended the quarter with a NAV per share of £0.9394 compared with £0.9095 at the end of September 2020.

Market Update

The year 2020 was a tale of two markets with a huge indiscriminate, high velocity drawdown from COVID mandated shutdowns followed by a significant risk-on rally as a result of massive fiscal and monetary stimulus. Then, in the fourth quarter, the market started looking through the increase in COVID cases to the eventual full reopening of the global economy on news in early November of two viable vaccines. Non-investment grade credit and CLOs had a strong showing in the fourth quarter.

U.S. senior floating rate, as measured by the S&P/LSTA Leveraged Loan Index, returned 3.81% for the fourth quarter and 3.12% for the full year 2020. The European Leveraged Loan Index (the "ELLI") returned 3.62% in the fourth quarter and 2.74% for the full year, excluding currency effects. The ICE BofA Global High Yield Constrained Index returned 6.52% in the fourth quarter, resulting in a total return of 6.48% for the year. In the fourth quarter, higher quality, non-distressed and larger, more liquid issuers in high yield and loans underperformed lower quality and distressed issuers. The Second Lien Loans index was up 7.13% in the fourth quarter resulting in the year return of 8.18%. CLO debt also rallied in the quarter as the CLO BB index gained 11.97%, putting the full year return at 8.05%.

The pace of defaults in both loans and high yield have sharply declined over the past few months, a pattern that is consistent with the recovery and improving balance sheet fundamentals. In our view, any defaults in the near term are more visible and likely to continue to come from the same sectors that have been seeing a higher proportion of defaults year to date such as the hardest hit COVID and commodities-related sectors. The bottom-up default estimates for 2021 from our research team are around 1.9% for loans and 1.3% for high yield. The distressed ratio in the loan market also continues to end down. The share of distressed issuers in the U.S. loan index on a par weighted basis was just 2.17% in December, down from November's 2.76% and significantly lower than March levels which reached 24.3% of the index.

Technical factors were also supportive of non-investment grade credit. Primary CLO production was $30.8 billion in the fourth quarter and $92.1 billion for the full year. U.S. leveraged loan retail funds saw a reversal of the withdrawal trend with solid inflows totaling $727 million in the final month of the quarter. For the fourth quarter, demand exceeded supply by $28.9 billion, and for the full year 2020 by $58.2 billion. Gross high yield new issue volume for the full year 2020 totaled $449.9 billion, compared with $286.6 that priced in 2019. Demand for high yield bonds reached a record high in 2020 with $44.6 billion of retail inflows which was the largest inflow on record. Our expectation is that non-investment grade credit will continue to see good demand as the search for yield continues in a very low interest rate environment.

Portfolio Positioning

The portfolio increased its weight towards Alternative Credit, which reached 25% at the end of the quarter. Floating rate loans remain the portfolio's largest allocation at 49.1% but have been reduced from 75.7% as of September 30, 2020 with the completion of the funds transition to the new investment policy. Our current allocation to BBB/BB rated credits ended the quarter at 16.9% while our exposure to CCC and below rated names finished the quarter at 22.6%. Regarding sector allocation, the top three weights included Healthcare, Oil & Gas, and Electronics while the bottom three weights included Equipment Leasing, Clothing & Textiles and Drugs.

Outlook

While spreads narrowed and yields trended downward in the fourth quarter, we believe valuations are compensating investors for the moderating default rates in high yield and senior floating rate loans and yield levels are attractive relative to many fixed income alternatives. In our view, risk adjusted returns of CLO's are also attractive as deals were issued with shorter tenors, cleaner portfolios, higher structural protections and attractive economics. As the markets have opened back up for LBO's/M&A, a lot of the deals that have Second Liens/Private Debt have attractive economics. This is a combination of directly placed and broadly syndicated situations.

Progress against the spread of the virus, combined with pent-up demand, a very high savings rate, strong fiscal support and accommodative central banks should deliver improving economic growth this year. While we continue to monitor the developments of the pandemic, the economic recovery and changes in policy as a result of the elections, we are finding ample investment opportunities in non-investment grade fixed income across the credit spectrum. The resurgence of COVID-19 cases and any delays in vaccine delivery could result in pockets of short-term volatility. However, we believe our deep fundamental credit research, focus on relative valuations, seeking to avoid defaults, emphasis on durable income and "best ideas" portfolio construction approach position us well to tactically take advantage of any volatility.

RISK CONSIDERATIONS

Market Risk: The risk of a change in the value of a position as a result of underlying market factors, including among other things, the overall performance of companies and the market perception of the global economy.

Liquidity Risk: The risk that the fund may be unable to sell an investment readily at its fair market value. In extreme market conditions this can affect the fund's ability to meet redemption requests upon demand.

Credit Risk: The risk that bond issuers may fail to meet their interest repayments, or repay debt, resulting in temporary or permanent losses to the fund.

Interest Rate Risk: The risk of interest rate movements affecting the value of fixed-rate bonds.

Counterparty Risk: The risk that a counterparty will not fulfil its payment obligation for a trade, contract or other transaction, on the due date.

Operational Risk: The risk of direct or indirect loss resulting from inadequate or failed processes, people and systems including those relating to the safekeeping of assets or from external events.

Derivatives Risk: The fund is permitted to use certain types of financial derivative instruments ("FDI") (including certain complex instruments) which can give rise to particular risks, including market risk, liquidity risk and counterparty credit risk. This may increase the fund's leverage significantly which may cause large variations in the value of your share.

Currency Risk: Investors who subscribe in a currency other than the base currency of the fund are exposed to currency risk. Fluctuations in exchange rates may affect the return on investment. Where past performance is shown it is based on the share class to which this factsheet relates. If the currency of this share class is different from your local currency, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency.

IMPORTANT INFORMATION

NB GLOBAL MONTHLY INCOME FUND